

TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 1 — 0 4

2. STATE:

OKLAHOMA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

01-01-01

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

1902 (aa)

7. FEDERAL BUDGET IMPACT:

a. FFY 2001 \$ 380,142

b. FFY 2002 \$ 506,851

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Page 2

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

Same page, Revised 04-01-83, TN#83-05

10. SUBJECT OF AMENDMENT:

Revising payment methodology for Rural Health Clinics

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ OTHER, AS SPECIFIED:☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Michael Fogarty

14. TITLE:

Chief Executive Officer

15. DATE SUBMITTED:

3-29-01

16. RETURN TO:

Oklahoma Health Care Authority

Attn: Billie Wright

4545 N. Lincoln, Suite 124

Oklahoma City, OK 73105

## FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

March 29, 2001

18. DATE APPROVED:

June 18, 2001

## PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

January 1, 2001

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Calvin G. Cline

22. TITLE:

Associate Regional Administrator

Division of Medicaid and State Operations

23. REMARKS:

c: Michael Fogarty  
Jim Hancock  
Billie Wright

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES  
OTHER TYPES OF CARE**

**Payment for Rural Health Clinic Services and Other Ambulatory Services  
furnished by Rural Health Clinics**

Effective January 1, 2001 payments to Rural Health Clinics (RHCs) for Medicaid covered services during RHC fiscal year 2001 will be paid on a per visit basis. The methodology described below is in accordance with the provisions of the Benefits Improvement and Protection Act (BIPA) of 2000.

A per visit rate for each facility will be determined based on 100 percent of the average facility's reasonable costs for providing all Medicaid covered services (including other ambulatory services) during RHC fiscal year 1999 and RHC fiscal year 2000. RHC fiscal year means cost reports ending in 1999 and 2000. The averaging methodology is as follows: total costs for 1999 and 2000 will be added together and divided by the number of visits.

The per visit rate will be adjusted to account for any increase or decrease in the scope of services furnished during RHC fiscal year 2001. This adjustment will be calculated based on a review of available financial or statistical information, including data submitted on cost reports and special surveys to calculate any base rate adjustment. Each facility will be responsible for supplying the needed documentation to the OHCA.

Beginning with RHC fiscal year 2002 and each RHC fiscal year thereafter, each facility's per visit rate will be inflated by the percentage increase in the Medicare Economic Index (MEI) for primary care services. Each facility's per visit rate will also be adjusted to account for any increase or decrease in the scope of services using the methodology described in paragraph 3 above.

Rural Health Clinics that enroll in Medicaid after RHC fiscal year 2000 will have their initial per visit rate established either by reference to payments to other Rural Health Clinics in the same or adjacent areas, or in the absence of such other clinics, through cost reporting methods. After the initial year, the per visit rate shall be established using the facility's reasonable costs inflated by the increase in the MEI.

Supplemental payments will be made to Rural Health Clinics that subcontract directly or indirectly with managed care entities. Payments will represent the difference paid by the entities and the payment to which the Rural Health Clinics would be entitled under a prospective pay per visit rate. Payments will be made quarterly.

Revised 01-01-01

TN# 01-04 Approval Date 06-18-01 Effective Date 01-01-01  
Supersedes  
TN# 83-05

STATE	<u>OKlahoma</u>
DATE REC'D	<u>03-29-01</u>
DATE APP'D	<u>06-18-01</u>
DATE EFF	<u>01-01-01</u>
HCFA 179	<u>06-18-01</u>

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